

Message Text

CONFIDENTIAL

PAGE 01 STATE 059629
ORIGIN OES-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 ACDA-12 CIAE-00
INR-10 IO-13 L-03 NSAE-00 EB-08 NRC-05 SOE-02
DODE-00 DOE-11 SS-15 SP-02 CEQ-01 PM-05 NSCE-00
SSO-00 USIE-00 INRE-00 /117 R

DRAFTED BY OES/NET/NEP:W.MOFFITT:BJE
APPROVED BY OES/NET:L.NOSENZO
T/D:D.WELCH(INFORMED)
IO/SCT:A.JILLSON (SUBS)
DOE:R.SLAWSON(DRAFT)
ACDA:L.WATSON(DRAFT)
ARA/MEX:P.STORING
OES/NET/NEP:R.DEMING(DRAFT)
-----021969 082128Z /73

O R 082116Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY MEXICO IMMEDIATE
INFO AMEMBASSY VIENNA

C O N F I D E N T I A L STATE 059629

USIAEA

E.O. 11652: GDS

TAGS: TECH, OTRA, PARM, ENRG, US, MX

SUBJECT: NUCLEAR ENERGY--VISIT TO LAGUNA VERDE SITE

REF: A) MEXICO 3856 B) STATE 41422 (NOTAL)

1. YOU MAY DRAW ON FOLLOWING IF NUCLEAR FUEL SUPPLY AND/OR
RELATED MATTERS ARE RAISED DURING SUBJECT VISIT.

A. US-IAEA AGREEMENT AMENDMENT. A PROPOSED AMENDMENT TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 059629

THE U.S.-IAEA AGREEMENT WHICH REFLECTS CURRENT U.S. NON-
PROLIFERATION POLICY AS WELL AS THE REQUIREMENTS OF THE
SOON-TO-BE ENACTED LEGISLATION WAS CIRCULATED TO IAEA
BOARD MEMBERS PRIOR TO THEIR FEBRUARY MEETING; HOWEVER,
THE AMENDMENT WAS NOT FORMALLY CONSIDERED BY THE BOARD AT
THAT TIME. WE HAVE NOT YET MADE A DECISION ON WHEN TO
SEEK CONSIDERATION BY THE BOARD, BUT IT IS UNLIKELY THAT

WE WILL PUSH FOR BOARD ACTION BEFORE REGULAR JUNE MEETING.
(A SPECIAL BOARD MEETING HAS BEEN SCHEDULED TO DISCUSS
IAEA-EURATOM SAFEGUARDS ARRANGEMENTS FOR APRIL 21.)

B. U.S.-YUGOSLAV NEGOTIATIONS. THE GOY HAS NOT FORMALLY
RESPONDED TO OUR MOST RECENT PROPOSAL (STATE 49263 AND
52494) TO RESOLVE THE ISSUE OF ADDITIONAL ASSURANCES ON
THE DISPOSITION OF U.S. FUEL USED IN THE KRSKO REACTOR.
WHILE IT IS UNCLEAR WHETHER PRESIDENT TITO WILL RAISE ISSUE
WITH PRESIDENT CARTER DURING HIS CURRENT STATE VISIT, THE
NEGOTIATIONS WILL VERY LIKELY BE A TOPIC OF DISCUSSION
BETWEEN SECRETARY VANCE AND HIS YUGOSLAV COUNTERPART. IF
CFE OR OTHER GOM OFFICIALS INQUIRE AS TO STATUS OF KRSKO
NEGOTIATIONS, WE RECOMMEND YOU LIMIT YOUR RESPONSE TO THE
FOLLOWING:

--IN MAY OF 1977, UPON THE RECOMMENDATION OF THE EXECUTIVE
BRANCH, THE NUCLEAR REGULATORY COMMISSION LICENSED THE
EXPORT OF A NUCLEAR POWER PLANT TO YUGOSLAVIA. WE HAVE
SINCE THEN BEEN HOLDING DISCUSSIONS WITH THE YUGOSLAV
GOVERNMENT OVER A LICENSE APPLICATION FOR NUCLEAR FUEL
FOR THIS REACTOR. WE ARE CONFIDENT THAT IN THE VERY
NEAR FUTURE WE WILL WORK OUT A MUTUALLY ACCEPTABLE AR-
RANGEMENT WITH YUGOSLAVIA WHICH WOULD PERMIT THE TIMELY
EXPORT OF THE FUEL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 059629

2. WE CONTINUE TO BELIEVE THAT WE SHOULD DEFER A FORMAL
APPROACH TO THE GOM ON OBTAINING SIMILAR ASSURANCES TO
THOSE WE ARE SEEKING FROM THE GOY UNTIL WE HAVE REACHED
AGREEMENT WITH YUGOSLAVIA. THEREFORE, WE RECOMMEND THAT
ANY RESPONSE TO INQUIRIES ON STATUS OF NUCLEAR FUEL SUPPLY
FOR LAGUNA VERDE BE LIMITED TO GUIDANCE PREVIOUSLY PROVIDED
IN PARA 1A. AND 1B. OF REFTTEL B AS SUPPLEMENTED BELOW.

3. YOU MAY INFORM CFE OR OTHER GOM OFFICIALS THAT NON-
PROLIFERATION LEGISLATION IS EXPECTED TO BE SIGNED INTO
LAW BY PRESIDENT CARTER THIS FRIDAY. IF ASKED HOW LEGIS-
LATION WILL AFFECT LAGUNA VERDE FUEL SUPPLY, YOU MAY
INDICATE THAT THE NEW LAW WILL REQUIRE THAT WE SEEK TO
RENEGOTIATE ALL EXISTING NUCLEAR COOPERATION AGREEMENTS,
BOTH MULTILATERAL AND BILATERAL, TO HAVE THEM REFLECT NEW
MORE STRINGENT CONDITIONS OF U.S. SUPPLY AND REQUIREMENTS
OF NEW AGREEMENTS. YOU SHOULD AVOID RESPONDING TO ANY
QUESTIONS RE TIMETABLE FOR DISCUSSIONS ON UPGRADING U.S./
GOM/IAEA AGREEMENT CONCERNING LAGUNA VERDE FUEL SUPPLY.
FYI. AS INDICATED IN REFTTEL B, GOM AGREEMENT TO COVER
LAGUNA VERDE PROJECT UNDER PROPOSED AMENDMENT TO U.S.-
IAEA AGREEMENT WOULD BE ONE MEANS OF SATISFYING EXISTING

POLICY AND SOON-TO-BE ENACTED LEGISLATION REQUIREMENTS
WITH RESPECT TO NEED FOR ADDITIONAL GOM ASSURANCES PRIOR
TO ISSUANCE OF FUEL EXPORT LICENSE. END FYI.

4. ON QUESTION OF PROPOSED VISIT OF PHYSICAL SECURITY
TEAM, YOU SHOULD RELY ON GUIDANCE SUPPLIED IN REFTEL B.
FYI. SEPTTEL DEALING WITH THIS MATTER WILL BE SENT SHORTLY
BUT WILL NOT REACH YOU PRIOR TO YOUR LAGUNA VERDE VISIT.
END FYI. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR ENERGY, NUCLEAR AGREEMENTS, VISITS, BRIEFING MATERIALS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE059629
Document Source: CORE
Document Unique ID: 00
Drafter: W.MOFFITT:BJE
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780105-0008
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780391/aaaaczfp.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4cef0fcb-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 MEXICO 3856, 78 STATE 41422
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3399869
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR ENERGY--VISIT TO LAGUNA VERDE SITE
TAGS: TECH, OTRA, PARM, ENRG, US, MX, IAEA
To: MEXICO USIAEA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/4cef0fcb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014